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Nashville, TN-- The Tennessee Higher Education Commission will meet on Wednesday June 11, 2003, to consider tuition and fee recommendations for the 2003-04 academic year for all Tennessee public higher education institutions.

The Tennessee Higher Education Commission staff will propose to commission members a minimum nine percent fee increase for the 2003-2004 academic year for all Tennessee higher education institutions. The proposed increase will generate an estimated \$47.6 million for institutions, of which a large majority will address inflation along with rising fixed costs, such as personnel, insurance, utilities and operating expenses.

The *2003-04 Appropriations Bill* stipulated a nine percent reduction in appropriations for most state agencies. As a result, higher education in Tennessee experienced an overall reduction of 107.8 million dollars in state appropriations, \$75.5 million of which was reduced from the budgets of Tennessee universities, community colleges and technology centers.

The proposed fee increase does not compensate for the full amount of funding lost with appropriation reductions, therefore institutions will find it necessary to reallocate funds and create strategic initiatives to ensure the quality and competitiveness of Tennessee's higher education institutions.

The *National Education Association* found there has been a "declining percentage" in state appropriations for higher education over the last twenty years. In facing an austere funding environment, institutions are revising funding assumptions and fiscal constraints; considering the reduction in appropriations as permanent.

However somber the economic constraints placed on institutions of higher education, the importance of attaining a college degree remains paramount to being successful in today's economy. Over the course of a lifetime, a person with a college degree earns nearly twice as much as someone with only a high school diploma. It is with regret that a greater burden is placed on students seeking to attain the inalienable goal of a college degree. The financial policy for higher education in Tennessee must change to address a new fiscal environment in the state, while creating alternative means to compete for the best and brightest.

The proposed increase in fees is part of a larger strategy of selective policy adjustments that will be made to various aspects of Tennessee's higher education system. The Tennessee Higher Education Commission hopes to develop a process that will align funding, enrollment, financial aid and lottery policies to ensure a coordinated and quality system that informs students, policy makers and the public of the function and progress of higher education in Tennessee.

RECOMMENDED FEE INCREASES, 2003-04

	2002-03 Academic Year Fee	2003-04 Proposed Academic Year Fee	Difference	Percent
TENNESSEE UNDERGRADUATE IN-STATE TUITION				
UT Knoxville	3,476	3,789	313	9.0%
University of Memphis	3,072	3,348	276	9.0%
TBR Regional Universities	2,748	2,995	247	9.0%
UT Chattanooga, UT Martin	2,900	3,161	261	9.0%
Community Colleges	1,600	1,744	144	9.0%
Technology Centers	1,184	1,291	107	9.0%

TENNESSEE GRADUATE AND PROFESSIONAL STUDENTS				
UT Knoxville	4,010	4,371	361	9.0%
University of Memphis	3,852	4,199	347	9.0%
TBR Regional Universities	3,690	4,022	332	9.0%
UTC, UTM	3,456	3,767	311	9.0%
Law				
UOM	6,178	6,734	556	9.0%
UTK	6,576	7,168	592	9.0%
Dentistry	10,970	11,957	987	9.0%
Medicine				
ETSU	14,390	15,685	1,295	9.0%
UT Memphis	15,994	17,433	1,439	9.0%
Veterinary Medicine	7,878	8,587	709	9.0%
Pharmacy	7,788	8,489	701	9.0%
OUT-OF-STATE TUITION				
UT Knoxville	8,102	8,831	729	9.0%
University of Memphis	7,154	7,798	644	9.0%
TBR Regional Universities	6,958	7,584	626	9.0%
UTC, UTM	7,020	7,652	632	9.0%
Two-Year	4,792	5,223	431	9.0%
Medicine				
ETSU	14,942	16,287	1,345	9.0%
UT	15,914	17,346	1,432	9.0%
Dentistry	16,632	18,129	1,497	9.0%
Pharmacy	10,712	11,676	964	9.0%
Veterinary Medicine	14,206	15,485	1,279	9.0%
Law				
UOM	12,100	13,189	1,089	9.0%
UTK	11,806	12,869	1,063	9.0%